

Message Text

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ACTION ARA-14

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FM AMEMBASSY BOGOTA
TO SECSTATE WASHDC PRIORITY 7735
INFO AMEMBASSY CARACAS
USSOUTHCOM
AMCONSUL BARRANQUILLA POUCH
AMCONSUL CALI POUCH
AMCONSUL MEDELLIN POUCH
AMEMBASSY PANAMA

LIMITED OFFICIAL USE SECTION 1 OF 2 BOGOTA 4055

E.O. 11652: N/A
TAGS: PINT, CO
SUBJECT: POLITICAL SUMMARIES: THE WEEK IN COLOMBIA

1. SUMMARY. THE LABOR MINISTER RESIGNED FOR HIS FAILURE TO ACT PROMPTLY REGARDING CHARGES THAT HIS PRIVATE SECRETARY WAS INVOLVED IN COFFEE SMUGGLING. HOLD OUR SUPPORTERS OF FORMER PRESIDENT CARLOS LLERAS CONTINUE TO IMPEDE TURBAY'S PUSH FOR LIBERAL PARTY UNITY BEFORE JUNE'S PRESIDENTIAL ELECTION. PRESIDENT LOPEZ DEFENDED HIS EFFORTS TO ASSURE COLOMBIA'S RIGHTS IN THE PANAMA CANAL. INVESTIGATIONS OF HIGH-LEVEL OFFICIALS ARE EXPECTED TO PROVE MORE EMBARRASSING THAN DAMAGING. THE FATE OF THE CONSTITUTIONAL ASSEMBLY REMAINS IN DOUBT. THE GOVERNMENT'S EASING OF MONETARY CONTROLS BODES WELL FOR COLOMBIA'S ECONOMIC GROWTH. TWO GROUPS OF LOCAL BUSINESSMEN WILL ATTEND U.S. EXHIBITIONS AND CONFERENCES WITH EMBASSY ASSISTANCE. A REQUEST TO THE EMBASSY FOR "ASYLUM" FROM A DISTURBED COLOMBIAN BROUGHT PUBLIC ORDER PROBLEMS CLOSER TO HOME. END SUMMARY.

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2. LABOR MINISTER RESIGNS. LABOR MINISTER OSCAR MONTOYA RESIGNED APRIL 27 AS AN INDIRECT RESULT OF THE CBS "60 MINUTES" PROGRAM ON THE NARCOTICS TRAFFIC. PRESIDENT LOPEZ HAD INDICATED IN AN INTERVIEW ON THE PROGRAM THAT THE LABOR MINISTER WAS INNOCENT OF IMPUTATIONS OF INVOLVEMENT IN DRUG TRAFFICKING, BUT THAT A PHONE TAP HAD SHOWN THAT, DURING THE MINISTER'S ABSENCE FROM

THE COUNTRY, SOMEONE HAD USED THE MINISTER'S PHONE FOR COFFEE SMUGGLING OPERATIONS AND THAT THE GUILTY PERSON HAD BEEN DISCHARGED. THERE FOLLOWED RISING DEMANDS TO KNOW WHO THAT PERSON WAS AND WHAT FURTHER STEPS AGAINST HIM WERE CONTEMPLATED. A PARTIAL ANSWER CAME ON APRIL 26, WITH THE RESIGNATION OF MONTOYA'S PRIVATE SECRETARY, APPARENTLY THE MAN ON THE PHONE, WHO HAD NOT BEEN DISCHARGED AS THE PRESIDENT HAD STATED. MONTOYA'S LETTER OF RESIGNATION STATED THAT HE COULD NO LONGER SERVE EFFECTIVELY SINCE HE HAD NOT ACTED WITH THE NECESSARY PROMPTNESS IN THIS CASE, WHICH COULD CAST "UNFAIR DOUBTS" ON THE PRESIDENT'S WORD AND HAS RAISED PROBLEMS WITH PUBLIC OPINION. COMMENT: MONTOYA'S RESIGNATION WILL HAVE THE PRINCIPAL EFFECT, UNLESS THERE IS STILL FURTHER TO BE HEARD ON THAT SUBJECT, OF FOCUSING MORE ATTENTION ON A NUMBER OF ALLEGED IRREGULARITIES IN THE LOPEZ ADMINISTRATION (PARAS 3 AND 5) AND OF HEIGHTENING THE PERCEPTION AMONG MANY COLOMBIANS OF WIDESPREAD IMMORALITY IN HIS GOVERNMENT.

3. CAMPAIGN MANEUVERING CONTINUES. FOLLOWING A MEETING BETWEEN LIBERAL PRESIDENTIAL CANDIDATE TURBAY AND HOLD-OUT FORMER LLERISTA LEADERS, A MAJORITY OF THE DISSIDENTS JOINED TURBAY WHILE SEVERAL "IRRECONCILABLES" SOME OF WHOM HAD NOT BOTHERED TO ATTEND, STATED THEIR INTENTION NEITHER TO SUPPORT NOR VOTE FOR TURBAY IN JUNE. THE NEW TURBAY LOYALISTS ATTACKED THE MAVERICKS FOR BLOCKING PARTY UNITY, THUS JOINING THE EDITORIAL VOICE OF EL TIEMPO WHICH HAS BEEN CALLING FOR THE EX-LLERISTA RUMP TO FALL IN BEHIND TURBAY. THE OTHER MAJOR LIBERAL DAILY, EL ESPECTADOR, HAS MAINTAINED ITS REFUSAL LIMITED OFFICIAL USE

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TO SUPPORT TURBAY'S CANDIDACY AND, WHILE NOT DIRECTLY OPPOSING IT, HAS DONE SOME SNIPING. MOST RECENTLY, THE DAILY HAS GIVEN EDITORIAL SUPPORT TO CHARGES BY EX-PRESIDENT CARLOS LLERAS THAT THE FINANCIAL GROUP, GRAN COLOMBIA, HEADED BY JAIME MICHELSEN, A PROMINENT TURBAY SUPPORTER AND COUSIN OF PRESIDENT LOPEZ, RECEIVED ILLEGAL DEPOSITS OF SOCIAL SECURITY FUNDS. COMMENT: THE PERMANENT DISAFFECTION OF THE EX-LLERISTA HARD CORE WILL PROBABLY HAVE LITTLE ELECTORAL IMPACT. THE ARGUMENT OVER SOCIAL SECURITY FUNF DEPOSITS HAS QUICKLY BECAME OBSCURED IN A WELTER OF LEGAL AND ECONOMIC ARGUMENTS. THE HEAVILY BURDENED ATTORNEY GENERAL'S OFFICE HAS ANNOUNCED AN INVESTIGATION, THE RESULTS OF WHICH, EVEN IF CONCLUSIVE, WOULD PROBABLY NOT BECOME KNOWN UNTIL AFTER THE ELECTIONS.

4. LOPEZ REBUTS CRITICS OF HIS CANAL TRANSIT RIGHTS RECORD. PRESIDENT LOPEZ REPLIED TO DOMESTIC CRITICS WHO HAD CHARGED THAT HE FAILED TO SAFEGUARD COLOMBIA'S TRANSIT RIGHTS THROUGH THE PANAMA CANAL WHEN PANAMA ASSUMES CONTROL TO THE CANAL. IN REMARKS TO THE PRESS, LACED WITH SARCASM, LOPEZ READ THE TEXT OF A NOVEMBER 16, 1977 RESOLUTION BY THE PANAMANIAN NATIONAL ASSEMBLY WHICH, INTER ALIA, CALLS UPON THE GOP TO EXTEND TRANSIT RIGHTS TO COLOMBIA AND COSTA RICA, AS SOON AS THE PANAMA CANAL TREATIES ARE APPROVED

AND WHICH REFERS TO THE EXCHANGE OF NOTES (BOGOTA 12050) BETWEEN COLOMBIA AND PANAMA IN WHICH PANAMA AGREED TO DO SO. (SPANISH TEXT OF ASSEMBLY RESOLUTION POUCH AMEMBASSY PANAMA AND ARA/AND/C). THE GOC HAS NOT YET RELEASED THE TEXT OF THE MARCH 15 U.S. NOTE ON CANAL TRANSIT RIGHTS, ALTHOUGH MARCH 26 BOGOTA PRESS CARRIED IT IN AN AFP RELEASE WHICH ERRONEOUSLY DATED THE NOTE MARCH 13. THE U.S. NOTE CAUSED NO PRESS OR OTHER REACTION. COMMENT: LOPEZ' REMARKS WERE THE FIRST OFFICIAL REPLY TO CHARGES, WHICH LATELY HAVE BECOME MORE INTENSE AND WHICH INCLUDED AN ATTACK BY FORMER FOREIGN MINISTER VAZQUEZ CARRIZOSA, THAT HE HAD NEGLECTED COLOMBIA'S RIGHTS. LOPEZ TOOK SPECIAL DELIGHT IN QUOTING AT LENGTH FROM A LETTER TO HIM FROM VAZQUEZ WHICH PRAISED LOPEZ' DEFENSE OF COLOMBIA'S TRANSIT RIGHTS.

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5. ATTORNEY GENERAL INVESTIGATING THREE OFFICIALS. BESIDES THE CHARGES AGAINST THE LABOR MINISTER'S PRIVATE SECRETARY (SEEPAR 2),

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OF HEALTH, WHO FACES MINOR CHARGES THAT HE ACTED IMPROPERLY IN ALLOWING THE INCORPORATION OF A POLITICAL ORGANIZATION FOR PUBLIC WORKERS WHILE HE WAS GOVERNOR OF VALLE DEPARTMENT. HIS SUCCESSOR IS THAT POSITION, CARLOS HOLGUIN SARDI, ALSO HAS BEEN CHARGED WITH IMPROPRIETY IN A SEPARATE CASE INVOLVING A TAX BREAK WHICH HE APPROVED FOR A CORPORATION WHICH WAS ONE OF HIS FORMER LEGAL CLIENTS. COMMENT: THE CHARGES AGAINST THE LATTER TWO OFFICIALS, WHILE EMBARRASSING, ARE RELATIVELY MINOR AND WILL PROBABLY BRING NOTHING MORE THAN ADMINISTRATIVE REPRIMANDS.

6. CONSTITUENT ASSEMBLY'S FATE UNCERTAIN. THE SUPREME COURT VOTED DOWN A PRELIMINARY MOTION OF THE CONSTITUTIONALITY OF THE LAW PROVIDING FOR A CONSTITUTIONAL ASSEMBLY (BOGOTA 2333). THE COURT WILL CONSIDER AND PROBABLY VOTE ON A NEW PROPOSAL NEXT WEEK. THE ASSEMBLY, ASSUMING IT'S EVENTUAL CONVENING, WILL CONCENTRATE ON ADMINISTRATIVE AND JUDICIAL REFORMS, SOME OF WHICH SHOULD AID THE GOC IN ITS DRUG INTERDICTION EFFORTS.
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7. GOVERNMENT EASES MONETARY CONTROLS. THE GOC RELAXED MONETARY CONTROLS THIS WEEK BY ADJUSTING THE BANKING LEGAL REQUIREMENTS. THE BASE AMOUNTS ON WHICH DIFFERING RESERVE REQUIREMENTS ARE APPLIED WERE RAISED SLIGHTLY, ADDING AN ESTIMATED 400 MILLION PESOS TO THE BANKING SYSTEM. THE ADJUSTMENTS ARE RATHER MODEST, BUT ARE CONSISTENT WITH THE FINANCE MINISTER'S GRADUALIST APPROACH TO POLICY CHANGES. IF INFLATION REMAINS AT ITS PRESENT RATE OF AROUND 20 PERCENT OR LESS, AND IF THERE IS ONLY LIMITED GROWTH OF INTERNATIONAL RESERVES, THERE SHOULD BE A FEW MORE LIBERALIZING ADJUSTMENTS BEFORE LOPEZ LEAVES OFFICE IN AUGUST. PRIVATE COMPANIES FIND THEMSELVES FAR MORE LIQUID THIS YEAR THAN IN THE PREVIOUS THREE YEARS, SO THAT EVEN MODEST INCREASES IN BANKING CREDIT WILL HAVE A STRONG POSITIVE IMPACT. THESE AND FUTURE RELAXATIONS OF RESTRICTIONS SHOULD MEAN A GOOD YEAR FOR GROWTH OF THE COLOMBIAN ECONOMY.

8. FOUR DIE IN SECURITY INCIDENTS; DISTURBANCE AT EMBASSY. A FARC GUERRILLA, A SOLDIER AND TWO POLICE OFFICERS DIED IN TWO SEPARATE INCIDENTS. THE FIRST RESULTED IN THE DEATHS OF A GUERRILLA AND A SOLDIER WHEN THE FARC AMBUSHED AN ARMY PATROL IN WESTERN META DEPARTMENT. IN THE SECOND INCIDENT, TWO POLICEMEN WERE SHOT DOWN IN BOGOTA, PURPORTEDLY BY MEMBERS OF THE POPULAR LIBERATION ARMY (EPL), ALTHOUGH CRIMINAL ELEMENTS MAY HAVE BEEN THE PERPETRATORS. THERE WAS A LESSER INCIDENT IN THE EMBASSY ITSELF WHEN A MENTALLY DISTURBED COLOMBIAN THREATENED TO COMMIT SUICIDE AND KILL HIS FAMILY UNLESS HE WAS GIVEN ASYLUM (BOGOTA 3924). FOLLOWING A SCUFFLE, IN WHICH A POLICEMAN'S WEAPON ACCIDENTLY DISCHARGED THE MAN WAS TURNED OVER TO THE POLICE. THE EMBASSY ROUTINELY REPORTED THE MATTER TO THE FOREIGN MINISTRY. AS EXPECTED, SOME

OF THE LOCAL PRESS DISTORTED THE INCIDENT TO THE EMBASSY'S
DISADVANTAGE, BUT THE MAJOR DAILIES GAVE IT OBJECTIVE TREATMENT
BASED ON AN EMBASSY PRESS RELEASE.
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